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Nature's execs flee in merger aftermath

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In late May, when Colorado's Wild Oats Market Inc. bought the seven-store Nature's Northwest grocery chain for $57 million from General Nutrition Cos., the deal was hailed as a natural fit.

At the same time, however, Nature's executive vice president, Brian Rohter, told 34 administrative workers their jobs were being cut.

A few days later, Rohter himself opted to leave. Since then, many members of the team that founded Nature's amd built it into a popular natural-foods business have also departed, decimating the Portland company's headquarters office.

Rifts between an established management team and new owners are common. Acquisitions often cause a swarm of departures. In Nature's case, however, the exodus is notable because it included many long-timers who had slowly built up the business and because it contradicted expectations that the two companies would easily mesh.

A Wild Oats executive tried to shrug off the talent drain.

"One door closes and another one opens," said Jim Lee, president

of the 80-store, publicly held Wild Oats. Other Nature's employees moved up to replace many who left, he added.

But some former Nature's executives can't so blithely dismiss the failure of the two cultures to mesh.

"It is a little bit ironic that the guys in the three-piece suits [GNC] were a little bit easier to work with than the guys who looked on the surface more like us," said Stan Amy, who served for many years as Nature's president before becoming chairman in December.

When Wild Oats announced its plans to acquire Nature's from GNC, there was plenty of talk of the complementary philosophies shared by the two grocers, both of which emphasize organic foods. But integrating Nature's into the larger company has proved painful for many.

Former Nature's executives complain of Wild Oats' obsession with cutting costs. New Nature's employees receive a less-comprehensive health-insurance package than long-time workers enjoy. And there is concern that Nature's will buy from fewer local suppliers than in the past.

"We were really proud that we ran a really profitable company that was also a great place to work and not just another chain," said Kate Bell, who on July 10 left her job as Nature's marketing director.

Despite Wild Oats' glib statements regarding quality, customer service and ties to the community, the publicly traded company seems like a typical grocery chain, Bell said.

After GNC bought Nature's in 1996 for $17.5 million, it gave the old

management team fairly free rein to conduct the grocery business as it wanted, Amy said.

That's because GNC bought Nature's as a strategic acquisition, one that allowed the parent company to diversify into a new field, Amy said. As long as Nature's reported growth and profits, GNC had no reason to tinker with it.

But Wild Oats saw Nature's as a territorial acquisition, allowing it to extend its existing business into another part of the country. As such, it planned to mold Nature's into its own image, or at least run it according to their own business model, he said.

Amy was out of the picture as soon as Wild Oats bought Nature's. He was working half-time on issues like store formats, branding and expansion. Wild Oats' own team in Boulder, Colo., will take care of those issues going forward.

Rohter said he declined Wild Oats' invitation to stay on board. He didn't state his reasons, but he acknowledged that imposing the job cuts right away was unpleasant.

Others departing include director of operations Patrick Slabe, development director Gilles Houde, human resources director Carole Ann Rogge, human resources manager Mary Miller, meat buyer Michael Randolph, grocery buyer Joel Dahll and produce buyer Jeff Fairchild. One store manager also left.